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Re: ADM 2003-22-9, Medical Support Changes

I oppose this provision. This is somewhat embarrassing, because I voted for the provision in our subcommittee.

The current formula recognised that medical expenses for children were not included in the data used to calculate the base amounts of child support. Major uninsured medical expenses are divided between the parties based on their proportion of family income. To account for trivial medical expenses, too small to submit for reimbursement (such as bandages, vitamins, cold medicines, etc.) a small amount (\$3 per week for one child) was added to the base support. This was based on the idea that families spent about \$300 per year on such expenses, and if the parties split that cost it would come out to about \$3 per week each.

The firm (Policy Studies, Inc.), which acted as a consultant on the Michigan Child Support Formula, noticed that the \$3 per week was not based on any empirical data, that there was no pro-rata sharing of these incidental expenses, and that there was a possibility of double payment if this type of expenditure was also submitted for reimbursement. The proposal is based on empirical data that shows incidental medical expenditures average \$288 (not \$312) per year. It is proposed that this cost be split on a pro rata basis between the parties, and that any uninsured medical costs submitted for reimbursement be subject to a \$288 deductible.

In most respects, the proposal is theoretically correct. In practice, it is burdensome for the parties and for the Friends of the Court who must administer medical support. Each party must now keep track of the trivial expenses for bandaids, vitamins and cough syrup throughout the year to meet the deductible of \$288. This was precisely what the current method was designed to avoid. The proposed change also addresses a non-problem. We have heard many rational and irrational

complaints about the formula, but no one ever complained about this provision. I think we should leave well enough alone.